NCA
VOC FOR IOP/FN
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ROMANIAN ECONOMIC REFORMS

ANNCR:

ROMANIA, FOR LONG CONSIDERED A MAVERICK COMMUNIST STATE IN ITS RELATIONSHIP WITH THE WEST, IS ABOUT TO INTRODUCE SIGNIFICANT ECONOMIC REFORMS THAT APPEAR TO IGNORE CERTAIN ORTHODOX COMMUNIST PRECEPTS. VOA'S JULIAN GORSKI HAS DETAILS:

VOICE:

THE ROMANIANS CALL IT THE "NEW MECHANISM" AND -- TO PUT IT BRIEFLY -- IT'S A SYSTEM DESIGNED TO GIVE MORE AUTONOMY TO INDIVIDUAL ENTERPRISES, REWARD WORKERS IN ACCORDANCE WITH THEIR PERFORMANCE, AND OPEN STILL WIDER THE DOORS TO WESTERN MARKETS FOR ROMANIAN EXPORTS. ROMANIA IS ALREADY TRADING MORE GOODS WITH THE WEST THAN WITH ITS COMMUNIST NEIGHBORS. BUT, AS ONE WESTERN OBSERVER HAS NOTED, ROMANIA HAS FOUND OUT THAT THE KEY TO INCREASED HARD CURRENCY EARNINGS LIES IN THE "QUALITY RATHER THAN THE QUANTITY" OF THE PRODUCT.

THE ROMANIAN COMMUNIST PARTY'S CENTRAL COMMITTEE HAS DECIDED TO MOVE TOWARD THAT GOAL. AT A RECENT MEETING IN BUCHAREST, IT WAS AGREED TO INTRODUCE PROFIT SHARING AS AN INCENTIVE FOR BETTER PRODUCTION. IN THE WORDS OF THE OFFICIAL ANNOUNCEMENT, ROMANIAN WORKERS WILL ALSO RECEIVE UNLIMITED BONUES "IN LINE WITH THE CONTRIBUTION MADE TO THE FULFILLMENT AND OVER-FULFILLMENT OF ... OUTPUT PLANS." IN ADDITION, STATE SUBSIDIES TO INDIVIDUAL PLANTS WILL BE DISCONTINUED AND MANAGERS WILL BE EXPECTED TO COVER THEIR PRODUCTION COSTS IN ACCORDANCE WITH THE SYSTEM OF SUPPLY AND DEMAND.

IN A RELATED MOVE, ROMANIA'S ECONOMIC DEPARTMENTS RECENTLY UNDERWENT A MAJOR PERSONNEL RESHUFFLE INVOLVING 23 OFFICIALS,

AMONG THEM SEVERAL CABINET MEMBERS. AND GOVERNMENT MINISTERS ALONG WITH CENTRAL COMMITTEE SECRETARIES HAVE BEEN PUT ON NOTICE TO MAKE THEMSELVES AVAILABLE TO THE PUBLIC TO HEAR COMPLAINTS AND SUGGESTIONS.

THE ECONOMIC REFORMS FOLLOW LAST SUMMER'S LENGTHY COAL MINERS' STRIKES IN WESTERN ROMANIA. THERE HAVE ALSO BEEN OTHER SIGNS OF CONSUMER DISCONTENT.

WESTERN OBSERVERS DO NOT REGARD THE INTRODUCTION OF THE NEW ECONOMIC REFORMS AS A DIRECT EFFORT TO PLEASE THE ROMANIAN POPULATION. NONETHELESS, THEY SUGGEST THAT BY VEERING AWAY FROM TRADITIONAL COMMUNIST CONCEPTS OF CENTRAL PLANNING AND GIVING GREATER LEEWAY TO INDUSTRIAL MANAGERS THE "NEW MECHANISM" WILL -- IN EFFECT -- BENEFIT ROMANIAN CONSUMERS. AND, THE OBSERVERS NOTE, THE REFORMS WILL BRING ROMANIA CLOSER TO THE YUGOSLAV AND HUNGARIAN MODELS.

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